OFFICE OF THE GOVERNOR
SPRINGFIELD, ILLINOIS 62706

Pat Quinn
GOVERNOR

July 1, 2012

To the Honorable Members of the General Assembly:

Pursuant to 305 ILCS 5/5-11a, the Department of Healthcare and Family Services (HFS) and the Department of Human Services (DHS), as well as other health and human services agencies, are required to annually update the plans for the implementation and modernization of technology systems for various health and human services programs as originally submitted in 2011.

Attached, please find a document containing that update. This reflects the result of continued collaboration among HFS, DHS, the Department of Insurance (DOI), the Illinois Health Information Exchange (ILHIE), and the Governor's Office.

The administration welcomes further discussion and collaboration with members of the General Assembly on the issues raised by this update.

Sincerely,

Sean Vinck
Chief Information Officer
Office of the Governor

COMPREHENSIVE TECHNOLOGY PLAN
ILLINOIS' HEALTH AND HUMAN SERVICES SYSTEM
Update: July 1, 2012

Department of Healthcare and Family Services
Department of Human Services
Office of the Governor

Pursuant to 305 ILCS 5/5-11a, the Department of Healthcare and Family Services and the Department of Human Services are required to annually update the report outlining plans for the implementation and modernization of technology systems for various health and human services programs that was submitted July 1, 2011. At that time, the policy and technology teams in the various agencies collaborated to develop summaries of each significant technology project underway and combine them into the report submitted to the General Assembly. This report is a similar collective effort to provide the most current update of the most strategic information system projects underway.

Success continues to depend heavily upon interagency coordination and collaboration. The technology modernization projects in which we are currently engaged present both opportunities and challenges. Without properly coordinating and harnessing these potential incentives and initiatives, we run the risk of expending time, energy, and resources to achieve sub-optimal results.

To ensure that our efforts at modernization yield the dynamic, flexible, intuitive, consumer-oriented, efficient, and cost-effective system that policy makers rightly expect and demand, the administration—primarily the Directors (and Secretary) of the agencies involved, their staffs, and the Office of the Governor through the State CIO—continue to work closely across organizational lines to ensure proper communication and coordination.

The planning and implementation of each project summary is occurring in the context of increasingly constrained circumstances at the state level. The State's technology staffs are facing budget reductions, significant headcount reductions, erosion of technical skill sets, delay and difficulty in procuring goods and services, and increasingly ambitious demands on staff time and resources.

The administration is committed to providing the essential public services administered by its health and human services agencies in the most effective and economical fashion possible. We welcome the partnership of members of the General Assembly in these efforts.

The projects discussed in this plan are:

I. Affordable Care Act (ACA) Implementation (DHS, HFS, Department of Insurance (DOI))
    A. Integrated Eligibility System
    B. Operational System for Health Insurance (Benefits) Exchange

II. Benefit Eligibility, Verification and Enrollment (HFS and DHS)
    A. Integrated Eligibility System
    B. Child Care Management System
    C. Temporary Assistance for Needy Families —Work Verification
    D. Document Management
    E. Durable Medical Card

III. Medicaid (HFS and DHS)
    A. Medicaid Management Information System (MMIS) Upgrade
    B. Electronic Data Transmission Standards (HIPAA 5010)
    C. International Classification of Diseases (ICD-10) (also impacts non-Medicaid)

IV. Healthcare and Human Services Framework (Governor's Office and Interagency Collaboration)

V. New Functionality and Efficiency Enhancement
    A. Illinois Health Information Exchange (ILHIE)
    B. Home Service Provider Timekeeping
    C. Upgrades for Child Support Systems

I. AFFORDABLE CARE ACT IMPLEMENTATION (DHS, HFS, DOI)

A. INTEGRATED ELIGIBILITY SYSTEM

Background

The ACA mandates that Medicaid eligibility for individuals and families on the Exchange be determined "seamlessly," *i.e.*, that there be one location for a person to apply for health benefits, whether Medicaid or private health insurance coverage, since it would be unreasonable to expect people to know that set of benefits for which they qualify. The Act further mandates that the eligibility system be primarily internet-based, but also include potential communication by telephone, in person or by mail for an eligibility determination.

To meet this requirement—as well as update an eligibility system that is more than 30 years old—the strategy is to build a new system so that other state eligibility functions can be attached over time after current ACA implementation needs are met. This aligns with the direction of the Framework project. This system, the Integrated Eligibility System (IES), will initially determine Medicaid[1], SNAP and Temporary Assistance to Needy Families (TANF) eligibility, and perhaps eligibility for an Illinois Health Benefits Exchange if Illinois establishes its own Exchange pursuant to the ACA. This will be done as much as possible through matching with other databases, both at the State and national level.

Because it was deemed implausible that the entire IES could be installed in the timeframe required by the ACA (by October, 2013), a multi-phased implementation was assumed.

Status

A multi-agency workgroup with representatives of HFS, DHS, the Department of Insurance (DOI) and others (including the Framework project, CMS and the Office of Health Information Technology) has been meeting since October 2010. An RFP for an implementation vendor was posted this winter, responses have been received, and the plan calls for executing the contract in August. The vendor proposals anticipate completing the first phase of this project by October, 2013, but the time frame is extremely challenging.

Cost

Since the State is still in the middle of the procurement process, detailed information on anticipated cost is inappropriate. It is safe to say, that as a result of developing the detailed requirements necessary for the RFP, estimates of cost have risen from the initial estimate developed without much detail. However, it is still the case that funding for this Eligibility system will be borne primarily by the Federal government. Cost of development will be allocated between the Exchange, Medicaid and marginally to SNAP and TANF. The Exchange share of these costs, about 20%, will be funded entirely by a Federal Exchange Implementation grant from U.S.

[1] The term Medicaid throughout this document is used to refer to all Illinois Medical Assistance Programs, including recipients covered under the Children's Health Insurance Reauthorization Act and other State and federal programs providing medical assistance.

Department of Health & Human Services (HHS). Should Illinois not develop its own Exchange, that share will still be eligible for the enhanced Medicaid match.

The enhanced Medicaid share is 90%. In order to obtain the 90% match on the Medicaid portion, which would otherwise be 50%, the IES must conform to a series of specific requirements, including that:

- the system must be capable of meeting the ACA October 2013 deadline; and
- all system development must be completed by the end of 2015, at which time the match rate is scheduled to revert to the previous rate.

Staffing and Project Management

Work to this point has been led by the multi-agency work group described above. This group will continue to provide oversight during the development of the RFP and, subsequently, the implementation process. In addition to this oversight, a material number of additional staff members will be required in both DHS and HFS. Activities are under way to develop specific head count estimates; the interface work on legacy systems will require extensive internal knowledge since current systems are now completely non-standard.

B. OPERATIONAL SYSTEM FOR THE HEALTH BENEFITS EXCHANGE

Background

The ACA, also known as "Health Reform," will provide a market place—called "an Exchange"—for individuals and small businesses to purchase coverage, in many cases with subsidies from the federal government. The ACA assumes that each state will establish its own Exchange, but includes provisions that an Exchange be operated by the federal government if a state opts not to undertake the establishment of an Exchange. The Technology Plan submitted last year assumed, on the basis of legislation passed in 2011 that Illinois would establish its own Exchange and the plan outlined the anticipated course of action, in particular, the development of an Exchange operating system with all the modules necessary to run a state-based Exchange.

Status

The General Assembly has not enacted legislation that would allow the Illinois Exchange to proceed to an operational phase. Consequently, the Department of Insurance, the lead agency for Exchange implementation, has adopted a two pronged strategy:

- continuing to develop plans for the eventual creation of an Illinois Exchange, but not on an expedited time frame; and
- maintaining close contact with the division within HHS that will establish an Exchange for Illinois if the ACA is implemented on the schedule anticipated in the law to ascertain the best way for Illinois to work with an Exchange operated primarily by HHS.

Regarding the first strategy, the DOI, coordinating with HFS, has developed an RFP for an Exchange operating system. It has not been determined the best time to actually post this RFP, but it will no doubt depend on other events in the next several months. Regarding the second strategy,

it is clear there will be a fair amount of work necessary by DOI even for the establishment of federally-facilitated exchange in Illinois.

Cost

DOI estimates the cost of an Exchange operating system would be in the $30 to $50 million range. This cost would be covered entirely by grants from the Federal government. Such grants have covered the costs of development so far. The most recently approved planning grant was for $37 million which included funds to start system development once a vendor is selected. (It also included funds for the Exchange portion of the Eligibility system.)

Staffing and Project Management

Staffing continues at minimum levels. Most work is being performed by two DOI staff persons, with some support from HFS. Going forward, several additional staff persons will be required as part of the DOI team that is managing overall implementation of the Illinois Exchange. The most important staffing addition in DOI was a systems project manager who is overseeing the RFP process.

II. BENEFIT ELIGIBILITY, VERIFICATION AND ENROLLMENT (HFS AND DHS)

A. INTEGRATED ELIGIBILITY SYSTEM

The Integrated Eligibility System (IES), described above, is crucial in the implementation of the Affordable Care Act, but it will also eventually play a key role in the overall enhancement of State eligibility, verification and enrollment process for other health and human services programs.

Additionally, as part of the recently concluded Legislative session, additional resources were given to HFS and DHS in order to strengthen the integrity of the eligibility process, in particular around redeterminations. It is anticipated that an external vendor will be procured who will provide three services to bridge the completion of the IES:

- review all redeterminations and make recommendations to the State as to whether client eligibility should continue;
- provide a similar set of reviews on a number of existing cases that, while not up for redetermination at the current time, have been identified as having potential anomalies in their eligibility data; and
- create a series of resources that can be used to enhance verification capabilities on information provided by new applicants.

The time frame for establishing this program is very short, but HFS and DHS, along with the Chief Procurement Office, are focused on getting this program up and running. Instituting this program while these two agencies are working intensely on the IES implementation will be particularly challenging.

B. CHILD CARE MANAGEMENT SYSTEM

Background

The Department of Human Services (DHS) administers the subsidized childcare program that provides childcare assistance for low income families at or below 200% of the Federal poverty level, the parents of which are either employed or in an approved education/training activity. The program ensures services to working families, families receiving Temporary Assistance to Needy Families (TANF) who are participating in an approved education/training activity, and teen parents in high school or GED programs. Through the Child Care Assistance Program (CCAP), the DHS provides childcare assistance to more than 190,000 children whose parents work or attend school. Services are provided through a statewide network of 16 Child Care Resource and Referral agencies and contracts with more than 143 licensed centers and homes, including the city of Chicago.

This project intends to develop a web-based electronic document management system to replace its time-consuming manual processes. The Child Care Management System will also help DHS childcare staff and providers realize process improvements and centralized storage—via capture, index, create, route, organize, transmit, view, print, retrieve, manipulate, update, track, and retention of case information—through the use of the Internet and a data warehouse.

Status

The system has experienced delays due to procurement, data conversion and application development issues. We have had to readdress the schedule, but are on target for July 23, 2012 pilot deployment with a September 2012 state-wide rollout.

Cost

The cost will total approximately $9 million ARRA-funded dollars.

Staffing and Project Management

The project is a joint effort between Deloitte Consulting and the Department of Human Services.

C. TEMPORARY AID FOR NEEDY FAMILIES—WORK VERIFICATION SYSTEM

Background

The Department of Human Services (DHS) administers the Temporary Assistance to Needy Families (TANF) program in Illinois for pregnant women and families with one or more dependent children. TANF provides financial assistance to help pay for food, shelter, utilities, and non-medical expenses. The focus of TANF is on transitional services to help families achieve independence. All work-eligible clients are required to work or participate in work-related activities, or activities to overcome their barriers to employment. Customers who are exempt may volunteer to participate in these activities.

The Federal TANF Reauthorization legislation contained in the Deficit Reduction Act of 2005 (DRA) defines how states monitor and verify countable activities toward the work participation rate requirements for TANF customers. The DRA requires the recording of actual hours of participation, the tracking of activities by type or code for each customer, the identification of countable activities, and the maintenance of records required to verify clients' outcomes.

Status

To meet these requirements, the Department developed the new Work Verification System (WVS). As anticipated in last year's plan, the system was piloted in summer of 2011 and fully implemented over the course of the year. This item can be removed from the plan for subsequent iterations.

This system has an interactive application based in, and accessible from, the web that identifies all work eligible clients, determines the activities that can be counted to meet federal participation, and tracks the customers' countable and non-countable activities, weekly hours of actual engagement, excused absences including holidays, and number of months in sanction status. The WVS provides for the maintenance of electronic work and training customers' files for record keeping and for generating necessary management reports.

Cost

The cost was a fixed-fee arrangement for approximately $3.5 million. Nearly all of the funds for this system are federally matching funds.

Staffing and Project Management

Staff from the Department of Human Services, supplemented with consultants, executed this project.

D. DOCUMENT MANAGEMENT

Background

The Department of Human Services (DHS) administers the Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and Medicaid Eligibility Program through its Family and Community Resource Centers (FCRCs) spread throughout the State. Historically, records have been kept on paper. This case history is stored in millions of manila folders. These folders clutter local offices and warehouses throughout the State.

As outlined in the plan submitted last year, DHS used a two-pronged approach:

1. DHS has implemented a new system that addresses internal printing. This go-forward strategy handles all new printing that occurs in the FCRCs. The Caseworkers will be printing all documents as .pdf files and storing them in IBM Content Manager, addressing over 90% of daily FCRC print. This approach will eventually replace almost all manila folders by 2017.
2. Development of a print-scanning capability that will enable the scanning of existing printed material followed by loading the .pdf's into the same Document Management solution in which the "go-forward" system is built.

Status

On January 1, 2012 DHS deployed the first three of 27 forms to print electronically. The results have far exceeded expectations. In the first five months of the deployment, DHS has saved over 3 million pieces of paper. DHS is on track to save 7 million pieces of paper annually. The initiative has been so successful that IBM has asked it to be included in their "Smarter Planet" campaign demonstrating how State government is applying new technology to legacy systems in innovative ways.

DHS is in the final stages of procurement to develop the print-scanning capability to begin to address the legacy print issue. Over the next 24 months, DHS hopes to move its entire forms library to the Document Management system. The print-scanning solution is expected to be complete by January 1, 2013. Additional forms will be added to the go-forward solution as budget and time permit.

Cost

The cost of the Document Management solution is solely based on software licenses ($185,000). The service costs are incorporated into the Enterprise Licensing Agreement with IBM at no cost to the State. DHS expects the scanning solution to cost approximately $200,000.

Staffing and Project Management

The Document Management solution is a joint effort between IBM and the Department of Human Services.

E. CALL CENTER REPLACEMENT

Background

This is a new initiative in the overall plan. The Department of Human Services (DHS) runs the largest Call Center in the State in terms of volume of calls (3 million calls per month). The Call Center has lengthy wait-times with limited functionality. As a result of its underlying technology it will no longer be supported by the vendor (Tier).

Central Management Services (CMS) has recently awarded a master contract to Cisco for call center technology. CMS intends to rollout a new call center based on the solutions for DHS and Department of Employment Security (DES), leveraging VOIP (Voice Over Internet Protocol) technologies and significantly improved call routing technologies. Since CMS is setting this up as a new service offering, the total cost of the solution will be significantly less than if we were to purchase the new hardware and software in a single year.

DHS, working closely with CMS, intends to replace its existing Interactive Voice Response and Automatic Call Distributor technology with the Cisco Command Center solution. In doing so, DHS will be in a position to enable a host of new technology which should enable greater self-service and reduce call times (*e.g.*, improved multi-lingual support, improved queue management, improved system interfaces).

Status

We plan to order the technology by July 1, 2012, with implementation/replacement scheduled for December 31, 2013.

Cost

The cost of the new system is approximately $525,000.

Staffing and Project Management

The Call Center Replacement initiative will be a joint effort between DHS, CMS Bureau of Communications and Computer Services (CMS-BCCS) and the vendor, Netech Corporation.

F. DURABLE MEDICAL CARD

Background

Public Act 96-0940 required that HFS and its collaborative agencies implement a permanent or semi-permanent medical card to all recipients of medical assistance. HFS published a Request for Proposal (RFP) soliciting bids, and will contract with a vendor for the production, distribution and management of permanent medical ID cards to be provided to Medicaid beneficiaries, replacing the current monthly medical card process. The project included implementation of an upgraded Automated Voice Response System (AVRS) to support the new medical cards.

Status

After more than a year of bureaucratic issues related to the procurement process, HFS was

unsuccessful in securing the resources needed to produce an annual plastic medical card. HFS was prohibited by the State Purchasing Office (SPO) from awarding a contract to the vendor with the best overall score because the vendor failed to meet minority business enterprise requirements. HFS issued an award to a second vendor meeting these requirements only later to have the award canceled by the SPO during the protest period. As a result, HFS is currently working with DHS and the Comptroller to assess programming capacity and mail production options that will enable HFS to discontinue the monthly mailings of paper medical cards and produce paper medical cards on an annual basis. The development of an upgraded Automated Voice Recognition System (AVRS) is not a viable option without the external resources a vendor would have provided. Consequently, HFS is working to expand the use of the current provider AVRS to include a client component. To this point, including development of the RFP and all the work since, HFS has expended more than 12,000 hours of staff time to this project.

III. MEDICAID SYSTEMS (HFS)

A. MMIS UPGRADE PROJECT

Background

The Illinois Medicaid Management and Information System (MMIS) is responsible for the collection, transcription, validation, and processing of $14 billion in claim services per year for medical services rendered to HFS clients. The existing MMIS system is approximately 30 years old, built upon mainframe technologies largely COBOL based. Although significant modifications have been made over the years, the enhancements have a patchwork quality and the system is well past its useful life. The current system is unlikely to meet new Medicaid standards for continued certification.

The plan articulated last year was to replace the MMIS in several phases including:

- moving major Federal reporting requirements from the MMIS to the much newer Enterprise Data Warehouse;
- implementation of a new Pharmacy Benefits Management System; and
- replacement of the so-called Core Modules, which include all hospital and individual practitioner claims.

Status

The Federal reporting solution was implemented on schedule in March 2012. The RFP for the new Pharmacy Benefits Management System was recently posted and the module is expected to be implemented in early 2014.

With regard to the Core Modules, HFS is considering an alternative strategy to installing its own system. DHFS is currently involved in detailed discussions with the state of Michigan about the possibility of sharing its MMIS system. This system is brand new and has been touted by the Federal government as a model system. If this arrangement can be worked out, it will significantly reduce the costs but, more importantly, it would reduce the implementation time from an estimated five years (if Illinois procures its own system) to approximately half that.

Costs

Most MMIS implementation costs are matched by DHHS at a 90% rate. Thus, the Federal reporting change cost $1.8 million, but only $180,000 was ultimately paid by the State for the IL-Mar project. The Pharmacy Module is expected to cost about $16 million but, due to the inclusion of certain non-Medicaid programs, the State's share will be slightly more than 10%.

The cost of the MMIS Core Modules will depend on the strategy chosen. Assuming a traditional procurement approach, the estimated project budget is $250 million of which $25 million will be the State's burden. No estimate is available for the Michigan MMIS approach at this time, but it is expected to be a fraction of $25 million. It is also the case that operating costs would be lower in the shared solution approach. DHHS matches operating costs at 75%, but Illinois and Michigan would be able to split the State's share of operating costs. The resulting operational costs would be

larger since it would include two states, but even with the larger total, Illinois' share would be lower than 25% of operating its own system.

Staffing and Project Management

HFS has issued an RFP for a vendor to augment agency staff for the MMIS replacement. The proposals for this RFP were received on June 7, 2012 and a contract is anticipated by October, 2012. (These services will complement 5 current contractual staff persons, while serving at the Technology Planning Office, and these working projects will have costs, which are included in the above estimates.)

B. ELECTRONIC DATA TRANSMISSION STANDARDS

Background

In order to improve uniformity in the arena of health information, the Federal government regularly issues regulations implementing legislation to increase communication standardization. While typically bureaucratic sounding, they are often important and require significant amount of time and energy, particularly given the age of the HFS operating systems, most of which lack the flexibility incorporated in modern systems. The conversion to the so called HIPAA 5010 rules was such an item in the 2011 strategic plan.

Status

The 5010 rules were implemented on schedule in the fall of 2011, ahead of the January 1, 2012 deadline.

However, the next set of updates is now on the agenda. A section of the Affordable Care Act amends a different section of HIPAA governing transaction standards and code sets; this section establishes new requirements for administrative transactions. When implemented, these rules will reduce administrative costs by mandating operating rules to enable the determination of eligibility and financial responsibility for specific services prior to or at the point of care with minimal augmentation by paper or other communications. HFS has now undertaken a new effort to modify the MMIS to comply with these rules, and is working on the first set of operating rules for the Eligibility Inquiry and Response and Claim Status Inquiry and Response electronic transactions. Changes to the system will include an addition of a web service to improve trading partner connectivity, enhanced eligibility responses, and modification to the MMIS to allow for an increase in system availability time.

The requirements for the second set of operating rules for Claim Payment/Advice and Electronic Funds Transfer are due to be published by July 2012. HFS will need to determine system impacts after the guidelines are posted.

Deadlines for various components of the rules are:

- Eligibility and Claim Status – January 2013
- Claims payment/advice and electronic funds transfer – January 2014
- Enrollment, Referral authorization, and claim attachments – January 2016

Cost

Funding for the federally mandated Operating Rule project has a 90% federal funding match. The total costs are expected to be approximately $5 million ($500,000 in State dollars).

Staff and Project Management

At this point, project is being addressed entirely with internal staff.

C. ICD-10 PROJECT

Background

ICD-10 is the newest version of the International Classification of Diseases (ICD) code set used by both providers and payers to identify diagnosis and procedure codes. These codes are used by the entire healthcare industry, not just Medicaid, and are an intrinsic part of many of the payments made by HFS. Previous Federal regulation mandated that all health insurance billing for Medicaid and Medicare (in essence, all health insurance billing) used ICD-10 after October 1, 2013. The ICD-10 project within HFS is an assessment of the new ICD-10 code set and its impact on HFS' business processes, the systems supporting these processes, and the remediation of ICD-10 code changes. It includes performing an impact analysis, developing requirements and design documents, modifying and testing a major portion of HFS applications. In this sense, it is a particularly complicated and far reaching example of a data transmission standard change.

Status

Recent Federal regulations have pushed back the required due date for ICD-10 conversion until October 2014. HFS currently is targeting completion for March 31, 2014. HFS is continuing to work on the policy updates and requirements gathering for the changes needed to switch from the ICD-9 to ICD-10 code set.

Costs

Funding for the federally mandated ICD-10 project has a 90% federal funding match. Total costs through FY2014 are expected to be $8.3 million (an $830,000 State contribution).

Staffing and Project Management

To this point the project staffing has been largely internal, although the breadth of the project creates a material staffing burden. HFS is in the process of procuring additional contractual staff to assist with this project. It is also worth noting that there may be some impacts in other agencies involved in Medicaid claiming.

IV. ILLINOIS HEALTHCARE AND HUMAN SERVICES FRAMEWORK (GOVERNOR'S OFFICE AND INTERAGENCY COLLABORATION)

Background

The Illinois Framework Project is the State's effort to create the overarching governance structure, fiscal discipline and resources to foster and manage a "build once, use many" culture. The goal is to create a horizontally-integrated system to support the major business functions of service delivery in the following seven Illinois agencies charged with providing healthcare and human services: DOA, DCFS, DCEO, DES, HFS, DHS and DPH. A key part of the approach is leveraging all state and federal investments in new system creation or upgrades.

The Framework section of the plan filed last year had two key elements:

- engaging a planning vendor to assist the State with the data-gathering and design for the system, and with the development of a technology roadmap for achieving that vision; and
- ensuring that the federal investments in an Integrated Eligibility System for the Affordable Care Act implementation, the creation of a statewide Illinois Health Information Exchange (ILHIE), and the planned upgrade of the Medicaid Management Information System accelerate the State's attainment of a coordinated information Framework that will be sustainable across the entire range of related healthcare and social services.

The leadership of these three federally-funded projects and the Framework Project are working in collaboration to ensure that the millions of dollars invested by the federal government and the State in the ILHIE, IES and MMIS upgrade will become the basis for a broader modernization effort.

In an effort to actively encourage states to leverage the federal investment, CMS and United States Department of Agriculture/Food and Nutrition Service (USDA/FNS) agreed to relax the cost allocation rules, which will allow Illinois to include eligibility and enrollment for SNAP and TANF in the IES build at a small fraction of the expense the State would have incurred under the previous cost allocation requirements.

Status

Developments in the major federally funded programs are described in other sections of this report. From the perspective of the Framework, however, it is important to note that coordination among these individual initiatives and the overall Framework Project remains strong.

The Framework Project, assisted by its Governance Board, published a planning vendor RFP last summer of 2011. A contract with the chosen vendor, CSG Government Solutions, was executed at the end of June 2011. The planning phase is expected to cover a period of 18–24 months with the vendor consultants beginning their work with State agencies in September 2012.

Additionally, working with the Illinois Public Health Institute (IPHI) and supported by funds provided by the Chicago Community Trust, the Framework Project conducted an Illinois

Stakeholder Listening Tour with more than 25 stops. This tour involved meeting with providers, advocates, clients and others affected by the new systems in development.

IPHI delivered a preliminary report in May 2012 and published an additional report for Listening Tour participants and the public in June 2012. Data collected during Listening Tour events has been coded and will inform the work of the Framework planning vendor and of the individual projects, especially the Integrated Eligibility System, since much of the feedback from clients' concerned barriers to service access presented by the current system.

Cost

The total estimated budget for the planning phase is $12.78 million. Of that amount, the State of Illinois is contributing $1.5 million in-kind (through participation of State staff in the planning activities) and $5.9 million in State dollars. The federal match rate is 41.63% for the planning phase.

Staff and Project Management

The State is currently evaluating which roles in the Project Management Office must be staffed by State personnel and which roles can be supported by the planning consultants. As suggested above, however, all configurations will require the participation of relevant management, subject matter expert, and line personnel within the agencies, to ensure that the resulting design meets agency and program needs, as well as those of clients and community providers.

V. NEW FUNCTIONALITY AND EFFICIENCY ENHANCEMENT

A. ILLINOIS HEALTH INFORMATION EXCHANGE

Background

The Illinois Health Information Exchange (ILHIE) is an initiative driven by federal and State statutory mandate under the direction of the Office of Health Information Technology (OHIT). The Illinois Health Information Exchange and Technology Act (20 ILCS 3860) was enacted in July 2010 to establish the ILHIE authority, foster the widespread adoption of electronic health records and facilitate the exchange of health information to benefit patient care, reduce medical errors, duplicative care and health care costs. The ILHIE is a network and set of technical services and standards that will facilitate the availability of comprehensive medical information at the point of care and allow physicians and their patients to make better informed health care decisions and promote better care coordination among providers. In support of this effort, Illinois received $18.8 million in ARRA funding in April 2010 to develop statewide health information exchange capacity. The work performed under this grant also supports Illinois providers who want to take advantage of Medicare and Medicaid payment incentives for the adoption and meaningful use of electronic health records. These payments are 100% federally funded and available to eligible professionals and hospitals under Medicare through 2015 and under Medicaid through 2021.

Status

The implementation phase for the ILHIE has begun and will proceed through 2014. Development of the core technical services began in the fall of 2011, and the first network service, ILHIE Direct secure messaging, went live in December 2011. Secure messaging uses a secure network and encrypted format to exchange clinical information with minimal security risk. The system has about 500 users and is expected to continue growing. In April 2012, the ILHIE began building Illinois' master patient index, which will serve as a statewide, single-source for establishing patient identity determination across multiple organizations and systems while linking patient records. The master patient index is now being tested across three major healthcare providers for a subset of payors to determine whether it accurately identifies patients. This is an essential building block to allow the sharing of clinical information among healthcare providers.

ILHIE has also been working closely with the health care providers in the State to enable them to receive incentive payments for the adoption of electronic medical records at the level of the individual practitioner. More than $180 million in Medicare and Medicaid incentive payments have been made to Illinois hospitals and health care providers for the adoption and meaningful use of electronic health records; hundreds of millions more will be paid to Illinois providers through the end of the programs in 2021. Finally, in March, Illinois received $600,000 in a special Federal grant to connect behavioral health service providers to the ILHIE, something that was not anticipated in the original Federal legislation.

ILHIE will continue its development of core services to facilitate the development of information exchange among health care providers. Currently, ILHE is working with its vendor to complete individual and provider directories necessary to support information exchange. Illinois' health and human service agencies will be users of, and data contributors to, the ILHIE to support care

coordination and efficient program management. As required by the enabling legislation, all State agencies with health information systems must provide data to the ILHIE by January 1, 2015. Incorporation of information from HFS has begun and information from additional agencies is anticipated throughout 2012 and 2013.

Cost

The ILHIE was conceived as a public-private initiative with federal, State and private sector support for its long-term operations. In addition to the $18.8 million in federal grant funds, any Medicaid portion of the ILHIE infrastructure development will be reimbursed at an enhanced rate of 90%. The ILHIE will collect fees to cover the remainder of its costs of operation and has the ability to accept other private funds. The total cost of operations are still being determined, but following selection of the technical services vendor, the estimate has been revised downward from $40–$50 million to $25–$27 million for the first five years of operation. The cost reduction is due primarily to the use of software-as-a-service (SaaS) and a cloud-based architecture model.

Staff and Project Management

The Illinois Office of Health Information Technology (OHIT) in the Office of the Governor was originally created by Executive Order to administer Illinois' participation in the federal HIE grant program through 2014. Subsequent legislation has provided a statutory basis for OHIT activities. The long-term governance of the ILHIE is the statutory responsibility of the ILHIE Authority, which will gradually assume responsibility for its long-term operation and financial sustainability.

B. UPGRADES FOR CHILD SUPPORT SYSTEMS

Background

In addition to Medicaid, HFS also includes the Division of Child Support Services (DCSS) that is responsible for insuring child support payments, which are collected and distributed in accordance with court orders. One out of every four children in Illinois receives some form of support through DCSS, so the condition of these computer systems is critical. Because of this, the upgrades are well supported by the federal government.

As described last year, HFS had previously planned to incrementally upgrade its aging Key Information Delivery System (KIDS) through separate, standalone RFPs. Instead of seeking these enhancements through disconnected efforts, HFS has changed its strategy and will utilize a system integrator to perform the various modernization efforts which will ensure a cohesive and well integrated solution while incrementally upgrading the various components. The initial phases being targeted are:

- Circuit Court Interface. This phase modernizes the HFS interface with the Clerks of the Circuit Court and will involve gathering court ordered information from all 102 Illinois counties. The Clerks of the Circuit Court are the statutory keepers of child support court orders and are the source of these orders for interfacing with the KIDS system. Not only are elements of the current system failing, a modern system will improve service and communication with its internal and external entities while taking advantage of alternative delivery channels which could significantly reduce travel, labor, telecommunication and mail costs.
- Document Generation System Modernization. HFS must upgrade the system that generates

documents necessary to coordinate and enforce child support payments. The current document generation system has recently experienced multiple failures as a result of aging infrastructure and out-dated technology. Additionally, the current process cannot readily employ productivity enhancing and cost saving features. This phase will require hardware, software and redesign of business practices and will result in:

- Customer Service Solution. DCSS operates a statewide Customer Service Call Center where custodial parents, non-custodial parents, attorneys, etc., call a toll-free number to speak with a customer service representative. The customer service solution will develop and implement a customer service model that improves delivery of child support services, improves access to timely and accurate information and improves problem resolution for families.

Status

The project is in the initial stages of procurement. An RFP is being drafted to obtain a system integrator that will provide a roadmap to be used for incremental upgrades throughout the various phases and provide professional services to perform the upgrades. Any needed hardware and software will be procured through separate RFPs. The plan is to have the vendor under contract by March 1, 2013 with an estimated date of July 1, 2013 for the delivery of the recommended solutions and roadmap.

Costs

The federal government will match 66% and the total cost is expected to be approximately $25 million over five years ($8 million in State dollars).

Staffing and Project Management

The project team is currently being mobilized from internal HFS resources to create the RFP.